

"We are aware of the headlines concerning FNMA and FHLMC. We continue to monitor the progress of these stories and are mindful of market concerns and reactions. We are holding current positions in both names and at this time do not intend to minimize our holdings through any means other than attrition."

Daniel S. Dowell, Director of Investment Division

The table below represents the PMIA /LAIF positions in FNMA and FHLMC as of close of business, 9/08/08:

<b><i>FNMA and FHLMC Holdings, 9/08/2008</i></b>				
		<b>BV Holdings \$Mils</b>	<b><u>Latest Maturity</u></b>	<b><u>% of Total \$63 Bil Portfolio</u></b>
<b>FHLMC</b>	DNotes	3,517	11/26/08	5.58%
	Cpns	138	9/19/08	0.22%
	Total	3,655		5.80%
<b>FNMA</b>	DNotes	892	11/26/08	1.42%
	Remics	1,098	8/01/12	1.74%
	Total	1,990		3.16%
	<b>Total</b>	<b>\$5,645</b>		<b>8.96%</b>